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COMMUNIST CHINA

Introductory Note

The judgments expressed in the replies to the questions on the following pages are based on intelligence reports from Communist China and third countries, interviews with refugees from Communist China, analyses from foreign missions in Peking (British, French, Danish, Indian), Chinese broadcasts and newspaper articles, and detailed analysis by U.S. Government agencies. The volume of this information is enormous; there remain, however, fundamental and critical areas in which our intelligence assets are minute or non-existent and in which "best judgments" are merely a euphemism for "guesses". These include evaluations of internal high-level leadership relationships and attitudes, activities in the deep-interior of mainland China, attitudes and loyalties within the army, and our judgments on the real motivations guiding Peking's policies toward the Soviets, the Indians, the Japanese, and ourselves.

There are some differences in interpretation of this welter of data but the fundamental judgments expressed in these papers are widely shared both within the Government and by China specialists outside the Government who serve on the Department's advisory panel on China and East Asia.

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1. What is the present state of the Chinese Communists' political apparatus and control following the Cultural Revolution? How strong is Peking's control over the regions? Is there any significant opposition to Mao and is a major move against Mao a possibility?

The major internal problem facing the Peking regime is the creation of a nationwide power structure to replace the old Party apparatus shattered during the Cultural Revolution. The Revolutionary Committees which serve as the building blocks of the post-Cultural Revolution power structure are unstable. Recent editorials in the mainland China press reveal that the committees are neither unified within themselves nor with each other. Instead, internal rivalries, polycentric tendencies, and individual dishonesty, rashness, and selfishness are hurting efficiency and responsiveness.

Most of the provincial Revolutionary Committees are led by military figures with the help of Party cadres who survived the mass pressures of the Cultural Revolution. From what we know about their backgrounds, these men are products of the old apparatus. They appear oriented toward administrative order and leery of policies that would encourage the re-emergence in their areas of the mass factional violence that paralyzed many cities in mainland China last year. However, some vice chairmanships and a large number of staff positions on these same Revolutionary Committees are occupied by members of the very mass factional organizations that fought so bitterly to remove the old apparatus and seize power for themselves. The majority of the mass representatives on Revolutionary Committees appear to be relatively stable adult workers rather than student Red Guards, and calm has returned to most of the country. Nevertheless, tensions remain and factional violence continues to occur in a few provinces notably Fukien, Chekiang, Szechuan and Tibet.

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Adding to current instability is uncertainty, over how the Chinese Communist Party is to be rebuilt, and what role it is to play. Although vague guidelines have been published which give precedence to old Party members and activist industrial workers, there are still no precise criteria for the selection of new members. In addition, the military control commission network established under People's Liberation Army control during the violent chaos of 1967 to prevent nationwide administrative breakdown still exists. It represents another ad hoc chain of command and control which must be integrated with the whole before the new system can function effectively.

The new system seems in little danger of collapse but Peking's control over the provinces and provincial control over the lower level has probably been weakened. The formulation of national policies in Peking is affected more than ever by considerations of what can be implemented under the new structure. As a result, the emergence of clear post-Cultural Revolution guidelines has been delayed by the need to test and consult, argue and achieve compromise between Peking, the provinces, and governing bodies in the counties, communes, and municipalities.

Under these circumstances, regional and local governments appear to have gained strength at the expense of the center. There has been no evidence, however, of a re-emergence of the warlord separatism of the 1920s, nor do we expect there to be.

One of Mao's principle purposes in launching the Cultural Revolution was to remove from the Party and Government hierarchy those who oppose his approach to the communization of and modernization of China. With the removal of PRC Chairman Liu Shao-chi, more than two thirds of the pre-Cultural Revolution Central Committee and politburo, all of the former Party regional bureau secretaries and a large number of important military figures, vice premiers, and provincial Party Secretaries, this purpose appears on the surface to have been achieved.

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Mao continues to be the most powerful political figure in Communist China. He combines for the ordinary Chinese the power of the Party Chairman, the sacred charisma of the traditional emperor, and attempts to convey the infallibility of the ancient sage. In the course of eliminating his rivals, however, he has weakened the mechanisms for transmitting and implementing policy decisions, thus diminishing the effectiveness of his power.

A major move against Mao seems highly unlikely under the present circumstances. What opposition there is to his policies dwells below the surface and takes a passive, bureaucratic and very traditional Chinese form, which tailors central policies to local needs, in some instances conveniently forgets to carry them out, and attempts to justify actual deviations from his views by selective reference to his doctrine. Most important, however, is the continuing loyalty of the Army to Mao and his designated successor, Lin Biao.

A major move against Mao might, however, become more than a possibility if decided that in the few remaining years left him (he is 76), he must ruthlessly apply his policies. Programs now under way in mainland China to reduce material incentives, enlarge the units of collectivization, decentralize the bureaucracy, and carry out the large scale relocation of urban population to the countryside bear the Maoist stamp and faint but alarming resemblances to the disastrous Great Leap Forward of 1958. So far Peking, as much by necessity as design, has authorized flexible and experimental implementation of these potentially disruptive measures. Should Mao demand an intensive nationwide push, the weakness of the new political structure and the strength of popular discontent would be likely to combine to produce an upheaval every bit as bloody and disruptive as the one just past, and one which Mao Tse-tung might not survive.

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2. After Mao's death, what are the leadership prospects and who will control China? What are the prospects for a major change in Chinese policy after Mao's death?

In the period immediately after Mao's death, China is likely to be ruled by a collective leadership headed by Vice Chairman Lin Biao and Premier Chou En-lai. Lin is Mao's own choice as his successor, and took the number 2 spot away from Liu Shao-chi in August 1966. The intervening purges of the Cultural Revolution have strengthened Lin's claim, and his position at the head of the People's Liberation Army, still the backbone of order and stability throughout China, provides the essential power ingredient to make it stick. Chou En-lai's political and administrative skill and his position at the pinnacle of the state bureaucracy have made him indispensable during the Cultural Revolution, and indispensable he is likely to remain in the traumatic aftermath of Mao's death. Both of these men and the apparatuses they command appear to be the principal executors of day to day policy in China today. Mao's removal from the scene would probably not have much immediate effect on the continuity of their control.

The group most likely to lose out when Mao dies is the Cultural Revolution Group, the coterie of ideologues which rose to prominence during the movement. They include Mao's wife Chiang Ching, Mao's personal secretary Chen Po-ta, Politburo Standing Committee member Kang Sheng, and the Shanghai leaders Chang Chun-chiao and Yao Wen-yuan, among others. With the possible exception of Kang Sheng with his long apparent secret police associations, these figures have no nationwide organizational power bases of their own and derive their influence primarily from their personal relationships with Mao.

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As a group they have been credited with advocating and pushing the radical policies which disrupted the country during the Cultural Revolution. In this role, they appear to have earned the enmity not only of the Party figures attacked and set aside during the campaign, but also of military and governmental leaders whose tasks of maintaining order and administering the country were made much more difficult by these policies. Surrounded by powerful enemies, and stripped of Mao's protection, Cultural Revolution Group members will be in a vulnerable and precarious position when the Chairman dies.

Conversely, the fortunes of some of the Party figures disgraced during the Cultural Revolution and indeed the entire apparatus itself, are likely to improve somewhat in the aftermath of Mao's demise. Teng Hsiao-ping, the former Party Secretary who has been out of public view for several years, but against whom no major public campaign has been launched, has a chance for a comeback.

The prospects for an immediate change in policy following Mao's death would be dimmed by the desire of the new leadership to maintain an appearance of continuity and business as usual despite the loss of the great leader. However, under the scenario outlined above, with Lin and Chou in charge, radical elements pushed aside and more influence for the Party apparatus, prospects for the gradual emergence of a more pragmatic line at home and abroad may improve. The stated goals of the Chinese Communists and the use of Maoist terminology and scripture to justify every move would probably not change. But beneath the surface important policy adjustments and interpretations could well be made to permit more material incentive and centralized planning at home, and a more reasonable posture abroad.

These projections are admittedly short range and extremely hypothetical. Lin Piao is 62 and believed in frail health. Chou En-lai is 70, and though still vigorous, has aged markedly during the Cultural Revolution. Without these two key figures on the scene and in control

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at the time of Mao's death, the picture becomes much more cloudy than it already is, and the prospects increase for a renewal of the violence and tensions uncovered and intensified by the Cultural Revolution.

Much will depend on the continued loyalty and unity of the armed forces under Mao's successors. Mao's personal charisma, intense indoctrination of the army in fidelity to the Chairman, and astute political reassignment and purging of personnel have apparently prevented any major military challenges to Mao's leadership thus far. If Lin Piao and Chou En-lai maintain their close association after Mao's death, this army unity will probably continue. A falling out between Chou and Lin, or among their successors may bring increasingly active military involvement in "king making" with unpredictable consequences. We know too little about the views of any of the middle-level military leaders of China to be able to assess what external or internal policies they might favor.

With the exception of a few younger figures like Yao Wen-yuan (reportedly in his late thirties) the majority of the current Chinese Communist leadership are still first generation revolutionaries. The leaders of the generation to follow are not known. However, if the successor generation proves to be as militant as its predecessor, it will be the first such in history. One of Mao's prime goals in carrying forward the Cultural Revolution has been to imbue the nations youth with the same fervor and disdain of hardship as motivated the Long Marchers. In this we believe he has failed.

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3. What effect did the Cultural Revolution have on the Chinese economy and what are its current prospects? Is China facing major food problems and what is it doing about agricultural and population control? What are its foreign exchange resources?

Communist China's economy, which had experienced substantial growth following its recovery from the abortive Great Leap Forward, was again crippled by the disruption accompanying the Cultural Revolution. The short range effects on the industrial and foreign trade sectors are already measurable. But the long range impact resulting from an almost total suspension of education, a breakdown of central planning organs, and the loss of experienced administrative cadre, are equally important but much more difficult to project.

Agriculture

The impact on agriculture of the Cultural Revolution, primarily an urban phenomenon, was more than offset in 1967 by excellent crop weather. China probably produced the largest grain harvest in its history, exceeding 200 million tons. Weather conditions in 1968 have not been as favorable, with droughts in North China and flooding along the Yangtze River and its tributaries in the South. A good late grain crop, however, has offset much of the first half year shortfalls, and preliminary estimates place China's 1968 grain harvest at between 190-195 million tons or about a seven percent decline from 1967. There have been isolated food shortages in individual provinces during the past year, and we would expect that food will continue to be in short supply, with consumption reduced to austere levels similar to 1962-63. We do not anticipate a food crisis of the scope reached in 1960-61,

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however, unless weather conditions deteriorate substantially this year.

A significant aspect of Communist China's efforts to feed its expanding population has been its imports of grain -- primarily wheat -- and chemical fertilizers. With the good 1967 grain harvest in China, Peking reduced its grain imports to 3.6 million tons, a sharp drop from earlier levels (1961-66) which ranged around five million tons. This year, however, indications are that China will again slightly increase its grain purchases, reaching or possibly slightly exceeding four million tons.

China's fertilizer imports have steadily increased along with its strenuous efforts to increase domestic production. Last year Peking imported a record six million tons (ammonium sulphate equivalent) of chemical fertilizers, primarily from Japan and the West European consortium NITREX. Contracts for 1969 deliveries are expected to equal or exceed those of 1968. Domestic production during 1967-68 dropped, perhaps as much as fifty percent compared with 1966-67, largely as a result of Cultural Revolution disruptions. China has devoted considerable energy to expanding its domestic production facilities, however, and with a return of order domestic production in 1969 could reach 13 million tons. Thus, assuming no further disruption in the domestic industry, fertilizer availability during 1969 could reach 20 million tons, a significant improvement over 1968, but barely enough to attain the minimum growth in fertilizer supplies required to maintain per capita farm output at 1967 levels.

China's current population is estimated at approximately 775 million and is growing at about two percent per annum. There is little likelihood that ChiCom efforts at birth control will have a significant impact on population growth rates in the near future. Birth control programs have waxed and waned with shifts in ideological doctrine, but current emphasis is on late marriage, spacing of children, the use of contraceptives, and abortion or

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sterilization. Based on fragmentary reports, it appears that these measures are neither universally nor strictly applied, and it would appear doubtful that their impact, particularly in rural areas, is great.

Since the 12th Plenum of the 8th Chinese Communist Party Central Committee in November 1968, Peking has initiated a series of rural reforms, many of which are reminiscent of measures adopted during the Great Leap Forward period. These reforms include the confiscation or sharp reduction in size of private plots allowed individual peasants for their own cultivation, the consolidation of production teams into larger units, new egalitarian wage schemes and the transfer of responsibilities for social programs such as education and medical care to the commune or production brigade level. In contrast to 1958, these measures are being introduced rather tentatively, and implementation seems to vary widely with the degree of peasant resistance which is encountered. We doubt that Peking intends to duplicate in toto the schemes that brought near disaster in the period 1959-1962, but even a more gradual reinstitution of Mao's utopian plans, particularly if accompanied by adverse weather, would have serious implications for China's agriculture.

Industry

The impact of the Cultural Revolution on China's industrial sector began to be sharply felt in the third quarter of 1967 immediately following the factional fighting of that summer. The decline in production persisted through the first half of 1968 until factional disorders were again brought under control by the army. Estimates generally place the decline at 10-15% in 1967 as compared with 1966, and there appears to have been a further 10% decline in 1968 over 1967. With the restoration of order in the late summer of 1968, industrial production appears to have picked up, with special attention being given to primary industries, particularly coal, steel and timber. Military production, although

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also subject to disruption, seems to have been at least partially shielded from the factional fighting that occurred in other sectors.

Foreign Trade and Foreign Exchange Resources

The level of Communist China's foreign trade fell sharply from \$4.3 billion in 1966 to \$3.8 billion in 1967. Preliminary estimates indicate a further decline in 1968 to \$3.6 billion. This, however, is not necessarily an accurate guide to the state of the economy nor to Peking's foreign exchange reserves. China's foreign exchange and gold reserves in 1967 are estimated to have been approximately \$610 million, a drop of \$55 million from 1966. This is based on an estimated \$80 million balance-of-payments deficit, however, and some sources differ on this figure, arguing that trade balances were better and overseas remittances higher than an \$80 million deficit would indicate. It seems clear, however, that Peking's foreign exchange reserves have not thus far experienced severe pressure as a result of the Cultural Revolution.

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4. What is the current strength and deployment of the Chinese Communist armed forces? Is it modernizing its conventional forces? How strong is its air defense?

Peking's conventional forces number about 2.7 million men divided among the three services of the People's Liberation Army (PLA). Although the Chinese Communist armed forces are the world's third largest (after the USSR and the US), it lacks mobility for sustained operations very far from China's borders. Their basic mission is to defend the Chinese Mainland. As has been the case since the Korean War, the vast majority of the 34 field armies of the PLA are deployed in the coastal provinces, with heavy concentrations in the industrial Northeast, around Peking, in the Shanghai-Nanking area, and in the southern provinces facing Taiwan (Fukien), Hong Kong (Kwangtung) and Viet-Nam (Kwangsi and Yunnam). With the exception of strong forces in Heilungkiang Province in the Northeast, deployment along the Sino-Soviet border remains light, a total of 89,000 men. An estimated 30,000-50,000 troops engaged in service support, construction and anti-aircraft roles have been operating in North Viet-Nam.

During the past two years, the morale and combat efficiency of the army have probably suffered somewhat as a result of purges among army leaders and the heavy civilian political role which the regime has entrusted to the PLA during the Cultural Revolution.

The Chinese Communist Air Force numbers approximately 270,000 men and is equipped with some 4,000 aircraft, deployed at some 280 airfields throughout the country. During recent years Peking has made strenuous efforts to update its jet fighter inventory, which now included about 2,000 MIG 15/17s and 685 MIG 19s. Peking also has some 25 MIG-21 aircraft obtained from the Soviet Union. The Chinese bomber force consists of 300 IL-28 light bombers and some 15 TU-4 and TU-16 medium bombers. The Chinese have continued to expand their air surveillance network

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and have deployed jet fighters to operational units in border and coastal regions throughout China. The air defense system has responded vigorously to isolated intrusion into Chinese airspace, particularly in South China. Air defense control and communications facilities remain a serious deficiency. China could not now cope with a major air attack, and will not be able to do so for at least the next several years.

The Chinese Communist Navy, numbering about 140,000 men, is primarily a coastal defense force, with only a small capacity to transport troops. It includes 35 submarines, 4 destroyers, 8 destroyer escorts, 50-60 hydrofoil motor torpedo boats, and 10-14 guided missile patrol boats.

Modernization

The modernization program for air defense and general purpose forces is moving ahead gradually on a broad front. PLA combat units vary considerably in quality and strength, but their firepower is increasing with the addition of more medium tanks and artillery. No significant increase in the number of combat units is anticipated, although some increase in manpower might occur in response to the army's assumption of widened civilian responsibilities.

The growing inventory of MIG 19 fighters, addition of better radar, and a slow deployment program of surface-to-air missiles are improving China's air defense. The Chinese are expected to produce a more advanced type of fighter aircraft soon, probably a Chinese version of the MIG-21 for which they have both the designs and the plant capacity.

R-class submarines and guided missile patrol boats are being produced for the Navy, but at a slower rate than anticipated. Other types of patrol and torpedo boats are being turned out in considerable numbers (including some for assignment to South Viet-Nam) and the deployment of a coastal defense cruise missile system seems to be picking up pace.

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The Chinese at present produce all their own defense equipment and weapons. They continue, however, to purchase transport aircraft from abroad. These include some light weapons and radar of indigenous design. They have exported MIG-19s and T-34 tanks to Pakistan, suggesting a willingness to provide modern weapons for urgent political purposes to third countries even though these weapons are inadequately available to the Chinese Army.

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5. What is the status of the Chinese Communists' nuclear weapons program? What are the major problems and weaknesses? When will the Chinese Communists be in a position to deploy nuclear armed ballistic missiles? What will be the Chinese Communists nuclear strategy once they have a force in being? Will the Chinese Communists be willing to enter into international arrangements to control nuclear weapons? Under what conditions?

The December 27, 1968 nuclear test, the eighth since the Chinese Communists began testing in October 1964, was the first successful test in eighteen months. The seventh test, in December 1967, was apparently a failure and was not publicly announced by Peking. The latest explosion indicated that Peking's advanced weapons program was moving forward again after temporary derailment due to political and perhaps technical difficulties. As had been the case with the June 1967 blast (No. 6), the most recent test was of a thermonuclear device yielding roughly 3 megatons. Unlike the previous test, however, this one employed a small amount of plutonium for the first time, indicating a Chinese Communist effort to reduce the size and weight of the weapon to facilitate missile delivery. There was substantially less U-238 than in explosion No. 6 indicating that the latest device weighed less, although the yield was the same.

At present Peking may have a few low-yield atomic weapons that could be delivered by existing Chinese medium bombers. However, the Chinese are also believed to have developed an MRBM system in the 600-1,000 nm range although actual tests have not exceeded the lower limits of this range. Initial deployment of this system could begin in 1970. When operational at maximum capability, the MRBM system if deployed close to the PRC's borders could bring into range all Asian nations with the exception of parts of India and Indonesia. The warheads initially deployed would probably be below 100 KT. In addition to conventional bombers and MRBMs, Peking has constructed one Soviet-type diesel powered "G-class" submarine designed to fire three ballistic missiles. So far, there is no evidence that the Chinese have developed a missile suitable for this craft.

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The Chinese are also working on ICBMs although none have yet been successfully tested. Peking is believed capable, barring major setbacks, of deploying a 5,000 mile ICBM with a thermonuclear warhead as early as 1971-72, although only in very limited (10-25 operational launchers by the mid '70s).

The precise reasons for the delays in China's nuclear weapons program during the past two years and the specific problems they confront, are unknown. While there is evidence that disruptions associated with the Cultural Revolution have involved government agencies and high officials in the weapons field, the relationship between these disruptions and both MRBM deployment and thermonuclear weapons development is unclear. The precise nature of the technical hitches encountered is also a mystery.

In general terms, the Chinese have probably suffered to some extent from being cut off from free access to advanced Soviet or Western technology and equipment. Peking has resorted to numerous techniques to by-pass Western restrictions on the sale of strategic materials, and in a number of instances has been successful. These difficulties may have delayed certain aspects of the Chinese nuclear weapons delivery program, but probably have not basically affected their abilities to proceed. Of potentially greater significance over the long run may be the degradation of the educational system and the development of a young cadre of technicians, engineers, and scientists in course of the domestic political upheavals since 1965.

Strategy

Despite the possibility of substantial Chinese progress in advanced weapons systems in the next few years, Peking has shown no sign that it will alter its reliance on "people's war" or that it will lose its well-concealed but nevertheless real respect for United States overwhelming nuclear superiority. Peking's reasons for developing advanced weapons are probably national pride, deterrence against US (and now Soviet) initial use of nuclear weapons against mainland China, and possibly political pressure to suggest to its Asian

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neighbors the possible risk of overly close security involvement with the US.

Peking has exhibited no interest in concrete disarmament agreements. It has proposed total uninspected nuclear disarmament by all nuclear powers and, the creation of an Asian nuclear free zone (to include the USSR and US) but has rejected the test-ban agreement, the non-proliferation agreement, the outer-space agreement, and suggestions that it take part in a world disarmament conference. The Chinese are clearly determined to continue with their development and testing program until they are a full-fledged thermonuclear, ICBM delivery power. It is unlikely Peking will reconsider its disarmament position until it has attained this goal.

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6. What is the current state and prospects for Sino-Soviet relations? Is a rapprochement possible and under what circumstances?

Relations between the Chinese and Soviet Communist parties are at the lowest ebb ever, with the CPSU bent on showing that the Chinese no longer deserve to be called Communists and the CCP calling upon the true Communist "revolutionaries" in the USSR to rise in rebellion against their masters, the new tsars in the Kremlin. Each side has shown signs of concern over the possible actions of the other in the near term -- Peking because of the Soviet intervention in Czechoslovakia, Moscow because of its realization that the stabilization of the internal situation in China may in the near future make the Chinese a more formidable adversary in their ideological and diplomatic competition.

Although both Peking and Moscow have probably overdramatized their fears for maximum political impact on interested observers, we believe their contingency planning and policy decisions are influenced by suspicions in both capitals that the other fellow has something up his sleeve. An outgrowth of this situation has been a sharpened awareness by the Chinese and Soviets of their options and vulnerabilities with respect to the United States. Given the fact that the Soviets and Chinese appear now to regard one another with more active hostility than they regard the US, it is possible that each will become more active in seeking to prevent the other from aligning too closely with the US, and to use its own relations with the US as a means of checkmating the other's policies.

Nevertheless, the outlook for future relations among the three powers in this triangular relationship is for fluctuations within a narrow range but no major realignments. A genuine Sino-Soviet rapprochement is most unlikely. To the obvious factors of prestige, pride, doctrinal issues, and traditional national antipathies, there is now added a deepening investment of both partners in their own assets in the dispute. This is particularly true for the Chinese,

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whose claim to great-power status in considerable degree depends upon their claim to ideological leadership against the Soviets. The Soviets have already learned (in the 1958 Taiwan Strait crisis) the dangers of being too closely identified with a rambunctious partner in the nuclear age. The schism has divorced the two economies. The Chinese can obtain most of what they need elsewhere except for the most sophisticated military technology, which the Soviets themselves would probably be loath to supply. China has elected to minimize the risks attendant upon its loss of the Soviet nuclear umbrella by rigidly managing its actions to control the danger of nuclear war with the US. It would consider paying the costs of reconciliation with the USSR only if confronted by both of two unlikely situations: a markedly more threatening US policy, coupled with indications that the Soviets would risk war with the US to support China.

After Mao's departure, his successor might be able to arrive at a limited modus vivendi with the Soviets, but neither side would be likely to accept terms which appeared to impair its policy interests with important third countries. This would be at most a detente, and far from a step toward renewal of the alliance. Nevertheless, the Soviets would probably respond with alacrity to any sign from Peking of willingness to move toward such a detente, particularly in the area of public polemics.

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7. What are Chinese Communist attitudes toward the United States? Will they try to make a deal with the United States at the expense of the Soviet Union? Are they really interested in peaceful coexistence with the United States and what would be Peking's conditions?

The attitude of Peking's current leadership toward the United States remains unremittently hostile. The hostility has three primary components: (a) the conviction that the U.S. ideologically represents all the forces in the world directly opposed to Peking's international and domestic goals; (b) frustration that the U.S. commitment to the GRC stands in the way of Peking's completion of its civil war victory over Chiang Kai-shek and represents a continuing potential threat through the support of a potential rival Chinese government; and (c) the belief noted earlier that the U.S. is the primary barrier to an extension of its influence in the area.

Although Chinese distrust of Soviet motives has reached new highs since Czechoslovakia, a meaningful deal between Peking and Washington at Moscow's expense is unlikely. The Chinese believe that most of their explicit and implicit policy objectives at this stage in history must be pursued against the U.S. rather than in collaboration with it: Taiwan; the promotion of Communism; the increase of Chinese Communist influence in Southeast Asia; the promotion of their diplomatic, Party, subversive and commercial connections in the non-Communist world; the prevention or breakup of alliances in Asia directed against Communist China; the neutralization of Japan or, as a distant hope, its conversion into a friendly power; membership in the United Nations as the exclusive

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representative of China. There is nothing which they are presently inclined to give us, and very little pressure to bargain. They know they cannot get the one thing which an alliance with us might theoretically furnish, military protection against the USSR.

We doubt that any Peking leaders would adopt a stated policy of peaceful coexistence with the U.S. unless they became convinced that such a policy would result in a substantial weakening of the U.S. political position in Asia, including the existing security arrangements in the area, and/or lead to the weakening or withdrawal of the U.S. commitment to defend Taiwan. Peking briefly pursued such a policy in 1954-57 in the belief it would lead to these goals. It is well within the bounds of possibility that after Mao's death, or conceivably even before, Peking might conclude a revival of this policy would contribute toward the weakening of the U.S. in Asia. For the time being, however, they appear likely to persist in a more militant policy of support for revolutionary movements abroad and declared hostility toward the U.S. while avoiding actions involving serious risk of a direct confrontation and war with the U.S.

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8. What is the nature of the Chinese Communist threat to Asia? Is Peking likely to engage in conventional and/or nuclear attacks against its neighbors? What are the principle deterrents to such attacks? How much support is Communist China giving to subversive and insurgency movements in the region? How much support is it likely to give in the future? What role is China playing in Laos and Thailand?

There is currently no evidence of Chinese planning for aggressive military action against their neighbors or of Chinese aspirations to expand their territory by force. Peking's activities have been directed at encouraging revolution and insurrection within a number of countries and to providing limited funding, arms, and training but with a minimum of direct Chinese involvement. Similarly, there is no evidence that Peking is contemplating any radical departures from her theoretical position that revolutionary success will depend on indigenous effort and local conditions, a position which probably reflects a genuine conviction on Mao's part. The Chinese Communists are likely to continue their dependence on standard overt means: diplomatic posture, aid programs, personal diplomacy, propaganda, and a hoped-for steady improvement in China's economic and military power to achieve the predominance in Asia that they seek. We regard their nuclear weapons program more as an effort to enhance Chinese prestige in Asia and challenge the value of U.S. deterrence than as a direct physical threat to her neighbors.

It is difficult to quantify with any precision the amount of material support Peking provides subversive and insurgent movements in Asia. During the first half of 1968, Peking is

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estimated to have funneled 50 million dollars worth of economic aid and the same amount of military assistance into North Viet-Nam. In addition the Chinese have, since 1965, provided logistic and engineering troops (30,000-50,000) to North Viet-Nam to assist the Vietnamese in repair and construction work. Elsewhere in Southeast Asia, while Peking supports and publicizes Chinese style "people's wars" against every non-Communist government with the possible exception of Cambodia (where, however, a reserve capability for such action exists), observable material support has been a mere trickle. In no areas other than Viet-Nam has Chinese support thus far been sufficient to increase significantly the threat posed by indigenous insurgents although Chinese training and support for tribal insurgents in eastern India and northern Burma may cumulatively affect the viability of these groups. Peking's principal contribution has been noise; a propaganda line that stresses the long term nature of "people's war", the virtue of self-reliance and the necessity for building a popular political base. This line in part hides Peking's reluctance to intervene more actively and reflects a cautious assessment of the current prospects for expanded armed struggle in Southeast Asia.

Peking has placed its primary reliance on the Viet-Nam war to pry the U.S. out of Asia. Until it decides that this reliance is misplaced, it will find little justification for significant material involvement elsewhere even though it continues at little cost and risk to keep small insurgencies ticking over in other neighboring countries. These still represent primarily levers of political pressure in Peking's foreign relations rather than genuine efforts to overthrow the governments of the countries concerned.

The Chinese view Laos as directly connected with the struggle in Viet-Nam and, thus far, have been willing to treat it as being primarily within the North Vietnamese "sphere of

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influence". As a result, Peking has limited its presence there, leaving Hanoi to supply the Pathet Lao with the bulk of their material support and ideological guidance. Peking's direct involvement has been largely limited to securing and maintaining lines of communication between northern Laos and the Chinese province of Yunnan. Chinese road construction units of up to 10,000 men have from time to time been present in northern Laos since Peking and Vientiane signed a roadbuilding agreement in 1962. The Chinese have used the expanded road net in northern Laos to supply insurgents with limited arms, ammunition, and other supplies. The road network has also substantially increased Chinese access to the Laotian interior and the Thai and Burmese frontiers.

Other than its teams of road builders, Chinese presence in Laos is concentrated in northern Laos in the Chinese Consulate at Phone Saly, and in the "economic and cultural mission" at Khang Khay, headquarters for the Pathet Lao. Throughout the rest of the country, Chinese presence is limited to Peking's small and inactive embassy in Vientiane and, perhaps, occasional observers or advisers with Pathet Lao troops. Nevertheless, Peking has a strong security interest in ensuring the existence of "friendly forces" along the Lao-Chinese border. Peking would be likely to reassert a more active interest in a Lao political settlement (on the basis of its participation in the 1962 Geneva Conference) if Sino-Vietnamese relations deteriorated or if Peking felt a Lao government hostile to Peking was likely to attempt to reassert its authority in northern Laos. This could include Chinese support for more militant NLHS policies or for a militant faction of the NLHS.

Thailand

Peking has provided the Thai Communist Party and its fledgling "army" with increasingly strong propaganda support. Peking's obvious influence over the Party is based on several factors. Many of the Thai Party leaders are Sino-Thais trained

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in China. The Party's clandestine radio is located in China. Monetary support is channeled to the Party via the Overseas Chinese community in Bangkok.

Despite these factors, there is little concrete evidence that the Chinese exercise dominant control and guidance over Thai Communist day-to-day operations or that guidance for Thai or Mao insurgent activities is being provided by any of the Chinese installations in northern Laos or Yunnan Province. The evidence for Chinese control consists of a form of propaganda, including Thai Communist praise for the thoughts of Chairman Mao and the claim that their People's Liberation Army "follows Mao Tse-Tung's directives".

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COMMUNIST CHINA

9. What is the nature of Chinese Communist relations with Hanoi and the NLF? Will the Chinese Communists seek to participate in any large scale Viet-Nam negotiations?

Peking's influence in Hanoi is clearly great. It stems from history, China's geographic position, and a long tradition of revolutionary cooperations between the CCP and the North Vietnamese Lao Dong Party. Both the Viet Minh victory over France and North Vietnamese economic development were facilitated by Chinese aid. Despite these strong factors, however, Chinese leverage is limited. Peking's advice has sometimes been wrong, strengthening a tendency by Hanoi leaders to follow their own devices, reject Chinese Communist suggestions, and insist that local strategy be tailored to local needs.

The attitudes of the two countries to the Paris Negotiations are a vital case in point. Peking was clearly against the negotiations. But the pressure that it brought to bear did not succeed in preventing Hanoi from negotiating.

Any severe measures adopted by the Chinese Communists to force Hanoi into line would run counter to Peking's interest. Military intervention against a fraternal Socialist nation would blacken Peking's image and put it into the same category as Moscow in the eyes of many. A cut in aid would jeopardize a war effort that it wishes to see succeed and complicate Peking's wish to avoid a clash between Vietnamese and Chinese interests in Laos. Whatever the tensions and disagreements, Peking recognizes that a friendly North Viet-Nam is a valuable buffer against the U.S. Unless

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genuinely concerned that the existence of a friendly government in that country is in doubt, Peking will take pains to avoid a rupture with Hanoi.

Peking's relationship with the NLF in the South is complex and frustrating. The Chinese Communists are clearly interested in exercising as much leverage as possible over the political organization actually operating in the war zone, where Mao's theories of "people's war" are being tested. Up until 1966, efforts by Peking were discernible to compete with Hanoi for influence over the NLF.

Despite these tensions, however, Peking appears aware that it cannot buck Hanoi beyond a certain point in its relations with the NLF. The NLF is dominated by the North, and supplied by the North.

Peking's negative attitude toward the Paris negotiations puts them in a tricky position vis-a-vis participation in talks for an expanded Viet-Nam settlement. They would probably be just as reluctant to join the current set of negotiations as the participants would be to invite them. In the long run, however, the Chinese Communists will wish to reassert their broad political interest in Southeast Asia and to make clear that no overall settlement in Southeast Asia can be successfully achieved without their approval. Neither the timing nor the mechanics of such an effort on Peking's part are known, either to us, or probably to the Chinese themselves. A choice of possibilities presents itself, ranging from a formal Geneva-type conference to informal assurances sought at a regularly scheduled Warsaw meeting, or a unilateral assertion of Chinese interest coupled with direct contact with individual governments and/or insurrectionary groups in the area. None of these can be ruled out at the present time.

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